

Town of Franklin

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OFFICE OF THE TOWN ADMINISTRATOR

Exhibit 1 - April 26, 2024

An override pledge to the citizens of Franklin

This document shall be adhered to by the Franklin Town Council, Finance Committee, School Committee, and municipal and school professional staff (“parties”) in the preparation and administration of the Town’s budgets in Fiscal Year 2025 (FY25) and subsequent years in an effort to maintain the level of services currently available to residents in Franklin, including offering a competitive education program through the Franklin School Department and to manage taxpayer investments in a fiscally prudent manner.

1. This document is intended to create a unified framework to present to the community for the purposes of an operational override this Spring. It is intended to present to the public a unified strategy toward budget management for the parties for the remainder of the decade. All parties recognize the shifting global political and economic dynamics will require further audibles; however, at this time, all parties agree this strategy presents the best outlook moving forward to begin to bring greater solvency to the operational budget.
2. The Town will hold a special one-day election on Tuesday, June 11, 2024 for an operational override ballot question in the amount of \$6.8 million for the purposes of the general obligation costs for both municipal and school operations.
3. Override funds will be made to last at least five fiscal years, from FY2026 through FY2030. If an operational override is approved on June 11, 2024, the Town or Schools will not seek additional operational overrides during the above stated period of time. Project specific “debt exclusions” related to town and school facilities projects will remain eligible for ballot initiatives.
4. The Town will not seek reimbursement of one-time monies reallocated to assist in balancing the FY25 budget with the passage of an override; however all parties are aware that \$2 million in one-time revenues also reflects a deeper structural budget deficit in FY26 with the use of one-time revenue sources.
5. If approved on June 11, 2024, the full operational override allotment would be raised and appropriated to the following accounts for FY25:
 - a. Account 300 Franklin Public Schools in the amount of \$6.3 million for contractual obligations, special education, school transportation, health insurance costs and to assist in making up for lost revenue from dissolving grants and federal revenues, as well as restore many services cut in FY23 and FY24.
 - b. Account 192 Expenses Facilities in the amount of \$500,000 for increases to general town and school facility operating expenses.
6. Beginning in FY26 and ending in FY30, the override amount will be applied to the general fund with the following stipulations:

- a. No less than 60% (\$4.08 million) of the full operational override amount shall be allocated to the School Department.
 - b. The remaining 40% (\$2.720 million) of the full operational override amount shall be reserved for discretionary spending to allow for flexibility in order to navigate the competing costs drivers in town and will be subject to appropriation as a part of future deliberation during the annual budget process. All parties recognize that the competition of future costs include, but are not limited to, collective bargaining, recurring capital costs, debt and interest for the Remington-Jefferson and Horace Mann projects, public infrastructure, employee health care and school operating accounts that see annual increases over 5%, including but not limited to special education and technology, as well as underfunded school and municipal departments.
 - c. The parties agree to improve strategy, communication and coordination relative to collective bargaining, facilities management, policy decisions and other ways to create efficiencies to ensure additional fiscal cliffs and escalation of costs are mitigated in FY26 and subsequent years.
 - d. With this general operational override, the parties pledge to begin to establish new expectations on spending to ensure the Town is able to live within its means through the end of the decade.
7. The Franklin School Committee agrees to vote on recommendations towards a School Comprehensive Plan on school consolidations and closures on May 14, 2024, which shall include closing the operations of the Gerald D. Parmenter Elementary School effective July 1, 2025 to provide savings to the Municipal and School budgets in FY26. The future use of the Parmenter site will be for the purposes of building a new Police Station, as well as for future municipal and/or school purposes, including a potential new school in the future. As the Police Station design project begins this year, the Town pledges to begin the overall design and layout of the 20.5 acre parcel with those facility considerations in mind.
 8. The Town and Schools agree to protect reserves as much as possible in an effort to shield the Town's AAA bond rating. If there is a budget deficit within these five years, the Schools agree to use surplus revolving funds as a mechanism to patch any budget deficit prior to making a request for funds to be expended from the Budget Stabilization Fund, which assists the Town in maintaining its AAA Bond Rating.
 9. The Town Council recognizes its responsibility to fund unfunded mandates and other capital infrastructure in town. The Council will be required to raise water, trash and recycling and stormwater rates this legislative session in order to fund the projects that are being required via regulatory requirements from the state and federal governments, such as water and stormwater, or for inflation based increases, such as trash and recycling.
 10. This agreement will be reviewed by the parties if substantial changes are made to state funding, unfunded mandates increase to a level of having a financial impact on the Town's operating budget, or other extraordinary or unforeseen events occur.

Signatories

Franklin Town Council

School Committee

Finance Committee